

Subject 505

Casualty Losses

If you lost property through casualty or theft, you may be entitled to a tax deduction. A casualty is the damage, destruction, or loss of property resulting from an identifiable event that is sudden, unexpected, or unusual in nature.

An unexpected event is one that was not ordinarily anticipated such as an earthquake, hurricane, tornado, or flood.

Examples of casualties include car accidents, fires, and vandalism.

A theft loss occurred when property or money was unlawfully taken. No deduction is allowed for a casualty or theft loss that was covered by insurance unless a timely insurance claim for reimbursement has been filed.

To determine the amount of your casualty or theft loss, complete Federal Form 4684 and attach it to your Arkansas Individual Tax Return.